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C O N F I D E N T I A L SECTION 01 OF 02 BUCHAREST 000065

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TAGS: [PGOV](#) [PINR](#) [PROP](#) [RO](#)
SUBJECT: PYRRHIC VICTORY AT THE LIBERAL CONFERENCE: PM
TARICEANU CLINGS ON BUT NO PARADE IN SIGHT

REF: A. BUCHAREST 1811

[1](#)B. BUCHAREST 1810
[1](#)C. BUCHAREST 1646

Classified By: DCM Mark A. Taplin for Reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: The National Liberal Party (PNL) reelected Prime Minister Calin Popescu-Tariceanu as party president at the extraordinary party convention held on January 12-13. Some leading Liberals, including several Tariceanu allies, were defeated in their leadership bids by more populist and radical leaders. After a series of expulsions and defections of high-profile, popular figures like Mona Musca and Teodor Stolojan, the Liberal Party is increasingly forsaking a broad political base for tighter internal discipline. Whatever success Tariceanu might have enjoyed in projecting a positive image at the helm of the Liberal conference and to showcase party unity was sabotaged by Basescu's political intimates, who leaked news of a 2005 note from Tariceanu to the President, asking him to intervene with prosecutors on behalf of Liberal Party eminence grise and energy oligarch Dinu Patriciu. Since then, the political atmosphere in Bucharest, always charged, has heated up to levels last seen eighteen months ago, when the Liberal/Democrat alliance first began to visibly tear apart. The Prime Minister's January 19 sacking of the head of the Tax Administration, a Basescu ally, was an aggressive countermove. Despite everything, Tariceanu and his allies are still holding on, but their political options and margin for error continue to erode. End summary.

[1](#)2. (SBU) Some 1300 delegates at the January 12-13 extraordinary party convention unanimously elected PM Tariceanu as president of the PNL. Tariceanu was unchallenged in the aftermath of the expulsions from the party of his most vocal critics last year (reftels). Tariceanu's re-acceptance speech pledged unity and a more assertive liberal identity. He asserted that the Liberal party and his leadership were the main engines that ushered in the EU accession, and Tariceanu insisted that in the crucial next two years Romania can achieve progress under conditions of political stability and continuity of the PNL-PD alliance. He said, "tensions between the PNL and PD are the result of natural competition and are not harmful provided that they do not lead to political chaos or endanger the fulfillment of the governing program."

[1](#)3. (SBU) The delegates also voted for the 15 PNL vice presidents and the 15-member Central Political Bureau (BPC). At the 2002 and 2005 party congress, the elected party president was entitled to choose his team of five vice presidents and eight BPC members. The 2007 convention agreed to a larger leadership formula and returned to direct vote for these positions. Some of Tariceanu's closest collaborators lost their elections to party leadership positions, defeated in some cases by party radicals and local branch populists.

14. (C) The biggest surprise of the convention was the defeat of the President of the Parliament's Chamber of Deputies, Bogdan Olteanu, a former minister and godson of the Prime Minister. Olteanu was defeated by Bucharest vice mayor and head of the PNL Bucharest branch, Ludovic Orban, in a contest for the important position of Vice President for Communications and Public Relations. Orban is known for his outspoken criticism of President Basescu. For instance, Orban is one of the few Liberals openly advocating that the PNL put forward a candidate of its own in the next presidential elections. While Olteanu by most accounts is the Prime Minister's favorite son, he has himself been critical behind the scenes of Tariceanu's political shortcomings. He has not hidden his desire to succeed the Prime Minister as Liberal president, despite his relative youth. Olteanu's organizational skills and role as "party discipliner" have meant that, behind the scenes, he has been a force with whom to be reckoned. However, one well-informed media commentator told us that, in fact, Tariceanu had quietly backed Orban's candidacy for the vice-presidential post because he was aware of his protégé Olteanu's unloyal sniping, and had concluded that the acerbic and uncharismatic Orban had less potential to unseat him than did Olteanu.

15. (C) Another outspoken critic of Basescu, Crin Antonescu, was unchallenged for the number two party position, Vice President for Political Affairs. GOR Minister of Culture Adrian Iorgulescu, lost the vote for Vice President for Civil Society and Equal Opportunity to Senator Norica Nicolai. Antonescu, Nicolai, and Orban are generally viewed as the leaders of the radical wing of the Liberals: populist (despite their elite, intellectual profiles), antagonistic to Basescu, left-European in their policy outlook. They also were the strongest advocates for expelling the more popular,

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ex-party Presidents Theodor Stolojan and Valeriu Stoica, the former being far too close to Basescu to be trusted either by Tariceanu or the radicals.

16. (C) Another surprise, of sorts, was the defeat of Foreign Minister Razvan Ungureanu for the position of PNL Vice President for European Affairs by Adrian Cioroianu. Ungureanu is believed by some to have been punished for insufficient loyalty to Tariceanu and the party, in particular for his failure to toe the line when the Liberals made their abortive announcement last June supporting the withdrawal of Romanian troops from Iraq. Ungureanu never had strong political ties to the party base nor did he actively lobby within the party for the vice-presidential position. To the extent that Ungureanu was seen as standing more in President Basescu's shadow and not Tariceanu's, he was always in for an uphill fight. Yet the youthful and articulate Ungureanu polls consistently as the most popular Minister in the government, and once again the Liberals seemed to be turning away from a political figure who could earn them votes. Instead, someone as unappealing as the dour Teodor Melescanu, a former Foreign Minister under President Iliescu in the early nineties and the current Deputy Speaker of the Senate, was elected PNL Vice President for International Relations.

17. (SBU) If the elbowing over the vice-presidential posts was not enough to take the luster off the PNL convention, the sudden detonation in the media of a story linking Tariceanu to an effort to intervene with prosecutors on behalf of his friend and patron Rompetrol President Dinu Patriciu decisively soured the atmosphere. In a dramatic press appearance on January 17, President Basescu's charged Tariceanu with attempting to form "a partnership of oligarchs" following revelations first made on television by Basescu's close confidant and former presidential staffer Elena Udrea. She revealed that Tariceanu had written a note in October 2005 seeking Basescu's assistance in intervening with prosecutors in a criminal case against Patriciu and

others on influence peddling and corruption charges. Despite a lively effort by the Prime Minister and other Basescu foes at turning the tables against the President in recent days, the damage was already done, and more than a few editorials called for Tariceanu to step down. Last Friday, Tariceanu announced the sacking of Tax Administration head, Sebastian Bodu who was known as a quiet Cotroceni ally. This was a significant countermove, one that probably will usher in another strike on the Liberals from the President,s side.

18. (C) Comment: The PNL entered 2007 looking battered by the expulsions and defections of the likes of big name liberals like Stolojan, Musca, Stoica, and, most recently, the up and coming former Agriculture Minister Georghe Flutur. The convention was intended to help restore the PNL's confidence, assert party unity and promote Tariceanu's leadership following last year's fierce party in-fighting. It has seemingly come up well short of the mark. While the Prime Minister, despite everything, remains at the helm of both the Liberals and much of the Romanian governmental apparatus, he in fact has gained little or no forward momentum. Tariceanu will be hard-pressed to keep the PNL-PD alliance afloat and stave off a collapse of what is now officially a minority government. As Basescu and Tariceanu trade accusations over who is more corrupt or oligarchic, it is likely the more popular Basescu will have the upper hand. One irony of the PNL convention is that the Liberal radicals and populists may have finally gotten President Basescu right where he wants them. End comment.
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